

EXHIBIT F

1 OF 13

DIAGON LOGISTICS CONTRACTOR AGREEMENT, CA

**SERVICE AGREEMENT**

(Revised 1/07)

DATED AS OF \_\_\_\_\_, 20\_\_

DIAGON LOGISTICS (DELAWARE) INC., a Delaware corporation (together with its successors and assigns, the "Company") and \_\_\_\_\_, (together with its successors and permitted assigns, the "Contractor") hereby agree as follows:

**PRELIMINARY STATEMENT.** The Company desires to procure, and the Contractor desires to provide, certain delivery services for customers of the Company as provided herein. Both the Company and the Contractor intend that the Contractor will provide such services strictly as an independent contractor and not as an employee of the Company for any purpose. As such, this Agreement sets forth the mutual business objectives of the Contractor and the Company. Such business objectives are intended to focus on the results that the parties intend that the Contractor will achieve, but do not include the manner and means of reaching such results. While the Contractor is responsible for determining the means and manner of performing the required services under this Agreement, the Contractor agrees that all persons the Contractor employs or subcontracts are fully trained and capable of meeting the service standards and objectives contractually imposed by the Company's customers. Contractor further acknowledges that the Company's customers may impose other obligations and requirements upon both the Company and the Contractor from time to time, which must be satisfied. Cooperation with, and satisfaction of, the customers' requests, is a material obligation under this Agreement.

**SECTION 1. Contractor Services.** From time to time, upon request by the Company, the Contractor, in a good and workmanlike manner, shall deliver consumer items for the Company's customers and perform such other related services as may be necessary to serve the Company's customers. In performing services under this Agreement, the Contractor shall have control of its work and the manner in which it is performed including, but not limited to, such matters as choice of any routes, points of service of equipment, rest stops, and timing and scheduling of customer deliveries. Contractor acknowledges and agrees that the Company does not guarantee any specific number of shipments or amount of revenue to Contractor during the term of this Agreement.

**SECTION 2. Relationship of Parties.** The parties intend that the Contractor shall act as an independent contractor of the Company. This Agreement is not intended to create in any manner whatsoever an employer-employee, principal-agent, master-servant, partnership or joint venture relationship between the Contractor and the Company. The parties further recognize that Contractor has a significant financial investment in the equipment utilized by Contractor to provide the transportation services set forth herein, and that Contractor has the exclusive right to direct and control the financial aspects of Contractor's business operations, including the ability to earn a profit under this Agreement. In its capacity as an independent contractor, Contractor agrees as follows:

- (a) To be responsible for the filing and payment of all federal, state and local employment taxes, unemployment insurance, disability insurance and workers' compensation insurance required by federal, state or local laws;
- (b) That all payments received by Contractor from Company will not be subject to tax withholding; and
- (c) That Contractor is not covered by unemployment insurance or workers' compensation provided by Company, and that Contractor and/or its employees or sub-contractors, has no right to nor will seek benefits or any form of payment from or through Company under state unemployment coverage or workers' compensation.

Contractor and/or its employees or sub-contractors shall not be considered, whether under the provisions of this Agreement or otherwise, as having the status of an employee of Company for any purpose whatsoever, including but not limited to, federal, state or local tax purposes, and Contractor and/or its employees or sub-contractors shall not be entitled to participate in any plans, arrangements or distributions that Company may make in connection with any pension, stock, bonus, profit sharing or similar benefits for Company's employees. Contractor has and shall retain all responsibility for hiring, setting the wages, hours and working conditions and adjusting the grievances of Contractor's drivers, driver's helpers and other workers; payment of any compensation to said workers and any taxes and



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insurance applicable thereto; selecting, purchasing, financing and maintaining the vehicles and other tools used by Contractor in carrying out its duties and responsibilities under this Agreement.

**SECTION 3. Fees.** Contractor shall receive payment for services in accordance with Exhibit A to this Service Agreement. As mandated by 49 C.F.R. 376.12(f), such payment shall be made within fifteen (15) days after Contractor submits to Company (i) timesheet and/or logbook and (ii) those documents necessary for Company to secure payment from its customers. Company will give Contractor, at the time of payment a statement showing total hauling revenue and all chargeback items and deductions. Contractor shall also have the right to inspect, during regular business hours, Company's delivery manifests, tariff and other documents from which chargebacks, deductions rates and charges are computed.

**SECTION 4. Costs and Expenses.** The Contractor shall, at its own expense, provide its own vehicle or vehicles and furnish such labor as is necessary to fulfill its obligations under this Agreement. All persons furnishing such labor shall be deemed to be employees/subcontractors of Contractor, and not of Company. Except as provided in the next succeeding sentence, all costs and expenses incurred by the Contractor in connection with the provision by the Contractor of services pursuant to this Agreement, including without limitation, the cost and expense of vehicle maintenance, all equipment and supplies used by Contractor and salaries, wages, social security, withholding taxes, benefits and all other items of expense of all employees of the Contractor, shall be borne by the Contractor. The Company may, in the event of a customer request or for necessary safety and security precautions, require that the Contractor's delivery personnel wear uniforms as designated by the Company's customers, which shall be purchased by Contractor or its employees at its or their own expense. As required by 49 C.F.R. § 390.21, Contractor agrees to display Company's name and identification number issued by the U.S. Department of Transportation ("DOT"). The Company may, at its option, require that the Contractor's delivery vehicles display the logo of the Company or its customer or other markings. Contractor shall pay all costs attendant to the operation and maintenance of the vehicle including, without limitation, fuel costs, fuel taxes, empty mileage, all permits, tolls, ferries, detention and accessorial services, base plates, licenses, any unused portions of such items and all costs and expenses described in the Agreement. Contractor is solely responsible for loading all cargo on to its vehicle, and complying with all federal, state or local laws and regulations pertaining to the weight and dimension of any commercial shipment. Unless otherwise required by 49 C.F.R. § 376.12(e), Contractor shall be responsible for any fines or penalties assessed against Contractor or Company for any overweight or overdimensional shipment. The Contractor is not required to purchase or rent any products, equipment, or services from the Company as a condition of entering into the Agreement. However, in the event the Contractor elects to purchase or rent any such items from the Company or from any third party, for which the Contractor requests Carrier to make deductions from Contractor's compensation, then the parties mutually agree to attach and incorporate the terms of such purchase or lease to the Agreement as a separate addendum.

The Company may, at its option, require Contractor to furnish proof, within ten (10) days of each due date for payment of required social security, withholding taxes and other employment taxes, that all such taxes have been paid.

**SECTION 5. Insurance.** The Contractor shall, at its own expense, maintain at all times during the existence of this Agreement the insurance coverages specified in Exhibit B during the term of this Agreement. Contractor and the Company recognize that the Company is regulated as a motor carrier by the United States Department of Transportation ("DOT") with respect to certain of its operations, and that DOT-regulated motor contract carriers must maintain certain levels of liability insurance coverage on a company-wide basis under 49 C.F.R. Part 387 for the protection of the public. Accordingly, Contractor understands and agrees that the comprehensive public liability insurance referenced in Exhibit B above shall be provided by the insurance carrier or carriers approved by the Company from time to time.

**SECTION 6. Indemnification.** Without limiting any other rights that the Company may have hereunder or under applicable law, the Contractor agrees to defend, indemnify and hold the Company harmless from and against any and all claims, losses, liabilities, costs and expenses of any kind whatsoever, including, without limitation, attorneys' fees (all of the foregoing being collectively referred to as "Indemnified Amounts") incurred by or asserted against the Company and arising out of, or resulting from, in whole or in part, the Contractor's performance including, without limitation, Indemnified Amounts arising out of, or resulting from, in whole or in part, the Contractor's



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performance of the services arising out of or relating to this Agreement, including, without limitation, Indemnified Amounts arising out of, or resulting from (i) injury or death to persons, including, without limitation, third parties, employees of the Contractor or persons driving, riding in, operating, repairing, maintaining, loading or unloading the Contractor's vehicles, equipment or other property, (ii) damage to the property of any person or legal entity, including, without limitation, loss or damage to items intended for transport which are in the Contractor's possession or under his dominion and control, and (iii) violation of any law, ordinance or regulation of any Federal, state or local governmental authority by the Contractor or its employees, subcontractors or agents. The Contractor shall pay to the Company, on demand, any and all amounts necessary to indemnify the Company from and against all such Indemnified Amounts incurred by or asserted against the Company, and the Company shall have the right to set-off any such Indemnified Amounts against any amounts owed by the Company to the Contractor under this Agreement. Contractor's indemnification obligations shall survive the termination of this Agreement.

**SECTION 7. Performance Bond.** The Contractor agrees to post a cash performance bond of \$\_\_\_\_\_ (the "Bond") with the Company prior to the commencement by the Contractor of any services hereunder. If the Bond is not paid in full at the commencement, then a promissory note in the amount of the Bond will be issued and signed and payments will be deducted from the Contractor's settlement on a payment period stated in the promissory note. Interest shall accrue on the Bond at a rate of 3% percent per annum or the average yield of 91-day, 13-week Treasury Bills as established in the weekly auction by the Department of the Treasury, whichever rate is higher. The Company shall remit to the Contractor interest earned on balances due to the Contractor up to the fully paid in Bond on a quarterly basis. For purposes of calculating the balance of the bond fund on which interest is paid, Company may deduct a sum equal to the average advance, including any expense deductions set forth in Exhibit A, made to Contractor during the period of time for which interest is paid. To have any remaining balance in the bond fund returned following termination of the Agreement, Contractor must first return to Company all of Company's identification devices together with any other property belonging to Company or the Company's customers. The Company will list all additions and deductions to or from the Bond made by Company on Contractor's settlement sheets. The Company shall release any amounts owing to the Contractor, less any authorized deductions, pursuant to Section 6 or otherwise not later than 45 days after the termination of the Agreement.

**SECTION 8. Compliance with Laws.** The Contractor shall comply with all applicable laws, rules, regulations and orders and maintain and preserve its existence, rights, franchises, qualifications and privileges.

**SECTION 9. Representations and Warranties of the Contractor.** The Contractor has the full power and authority to enter into and consummate all transactions contemplated by this Agreement, has duly authorized the execution, delivery and performance of this Agreement and has duly executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Contractor, enforceable against it in accordance with its terms.

**SECTION 10. Amendments.** This Agreement may be amended from time to time only by written agreement of the Company and the Contractor.

**SECTION 11. Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

**SECTION 12. Effect of Invalidity of Provisions.** In case any one or more of the provisions contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall in no way be affected, prejudiced or disturbed thereby.

**SECTION 13. Loss or Damage.** Contractor will be liable for loss or damage to items intended for transport occurring while such items are in Contractor's possession or under his dominion and control. Before making deductions from settlements with Contractor (or from the performance bond referenced in Section 7 above to reflect such loss or damage, Company shall provide Contractor with a written explanation and itemization of such deductions.



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**SECTION 14. Control and Exclusive Use.** While operating in the service of Company, Company shall have such possession, control and use of the vehicle and its operation as required by 49 C.F.R. Section 376.12(c) (1). Company shall assume complete responsibility for operation of the vehicle for the duration of this Agreement. Notwithstanding the foregoing, in performing services under this Exhibit B, Contractor will direct the operation of the vehicle in all respects and will determine the means of performance including, but not limited to, such matters as choice of any routes, points of service of equipment, and rest stops. The parties intend to create an independent-contractor relationship and not an employer-employee relationship.

**SECTION 15. Confidential Information.**

(a) During the term of this Agreement, the Contractor shall have access to confidential information of the Company. The Contractor shall not disclose such confidential information to any third parties or itself use such information either during the term of this Agreement or at any time thereafter except as necessary to enable the Contractor to perform its obligations hereunder.

(b) In the event the Contractor violates or attempts to violate any provision of this Section 15, the Contractor agrees that the Company, in addition to any other rights or remedies it may have, shall be entitled to injunctive or other equitable relief against the Contractor without the necessity of filing any bond with the applicable court. In addition, Company may recover any expenses, including attorney fees, incurred by Company in enforcing this provision.

**SECTION 16. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to conflict of law rules. Company and Contractor further agree that any dispute related to the performance of services by Contractor or the terms of this Agreement shall be litigated in the State or Federal Courts nearest to Manassas, Virginia or as otherwise as mutually agreed to in writing between the parties.

**SECTION 17. Notices.** All notices, consents, directions and other communications required by the terms of this Agreement to be given shall be in writing, shall be deemed to have been duly given upon receipt and shall be delivered (i) by personal delivery, (ii) by first-class mail (postage prepaid, return receipt requested) or (iii) by telefax or telegraph to the parties hereto at the addresses set forth below or such other address as either party shall give in a notice to the other party pursuant to this Section:

If to the Company:

Diakon Logistics  
Attn: Executive Vice President  
7673 Coppermine Drive  
Manassas, Virginia 20109  
Fax (703) 530-7527

If to the Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SECTION 18. Assignment.** the Company may assign its rights and obligations under this Agreement upon prior written notice to the Contractor. The Contractor may not assign its rights or obligations under this Agreement without the express written consent of the Company.

**SECTION 19. Term: Termination.** This Agreement shall commence on the date set forth on Page 1, and shall continue in effect for a one (1) year term from that date; provided, however, that the Agreement shall automatically renew for additional one year terms unless otherwise terminated by either party upon thirty (30) days prior written notice. During its term, this Agreement may be terminated by either party upon not less than thirty (30) days' prior written notice to the other party; provided, however, that the Company may terminate this Agreement forthwith upon written notice to the Contractor upon the occurrence of any of the following events: (i) the Contractor's breach of any of its obligations under this Agreement (ii) the commencement by the Contractor as debtor of any case

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or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or the Contractor's seeking the appointment of a receiver, trustee, custodian or similar official of the Contractor of any substantial part of its property; (iii) the commencement of any such case or proceeding against the Contractor, or another's seeking such appointment, or the filing against the Contractor of an application for a protective decree which (A) is consented to or not timely contested by the Contractor, (B) results in the entry of an order for relief, such an appointment, the issuance of such protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 30 days; (iv) the making by the Contractor of a general assignment for the benefit of creditors, or (v) the admission in writing by the Contractor that the Contractor is unable to pay its debts as they become due or the nonpayment generally by the Contractor of its debts as they become due. Company shall furnish Contractor with an equipment receipt meeting the requirements of 49 C.F.R. 376.11(b). Contractor shall, immediately upon termination of the Agreement, remove all of Company's identification devices from the vehicle and return them to Company via hand delivery or certified mail (provided that if the identification devices have been lost or stolen, a written letter certifying their removal will satisfy this requirement), together with all of the Company's other property, including paperwork and cargo to the Company's nearest terminal. If Contractor fails to return this property upon termination of this Agreement, Contractor shall pay the Company all expenses, including reasonable attorney fees, incurred by the Company in seeking the return of such items, and the Company may pursue all other remedies allowed by law or authorized in the Agreement against Contractor.

**SECTION 20. Construction.** The headings in this Agreement are for convenience only and are not intended to influence its construction. References to Sections and Exhibits in this Agreement are to the Sections and Exhibits to this Agreement. The Exhibits are a part of this Agreement. In this Agreement, the singular includes the plural, the plural includes the singular, and the words "and" and "or" are used in the conjunctive or disjunctive as the sense and circumstances may require.

**SECTION 21. Failure to Enforce.** Failure of any party to enforce any provisions of this Agreement shall not be construed as a waiver thereof or as excusing the other party from future performance.

**SECTION 22. Entire Agreement.** This Agreement and the Exhibits attached hereto contain the entire Agreement between the parties hereto with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements between the parties hereto, oral or written, of any nature whatsoever with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Company and the Contractor have caused this Agreement to be executed as of the date and year first above written.

CONTRACTOR

DIAGON LOGISTICS (DELAWARE) INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_



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EXHIBIT AFee Schedule

1. Percentage of Revenue. Unless otherwise agreed to in writing between the parties, Company shall pay Contractor no less than sixty-two percent (62%) of the adjusted gross revenue ("AGR"), which shall be distributed to Contractor on a bi-weekly basis. For purposes of this Exhibit, AGR shall mean all revenue received by Company from its customers for transportation services provided by Contractor under this Agreement after reduction for (1) any non-hauling revenue received from Company's customers, including for warehousing, scheduling, storage services as well as any reimbursements made for labor, managerial or administration services provided by the Company; (2) the amount paid to any third party by Company in relation to the particular shipment handled by Contractor, including amounts paid to other contractors as a pro rata payment for their participation in that particular movement; (3) any revenue received by Company as an excess value or insurance charge; (4) all incentives, discounts or commissions given to Company's customers or other third parties. Any increase in the AGR paid to Contractor and not memorialized in a written addendum signed by both parties shall be considered a temporary adjustment and may thereafter be reduced by Company to not less than sixty-two percent (62%) at the Company's discretion.

2. Chargeback and Deduction Items. The following items shall be charged back to or deducted from Contractor's compensation or from Contractor's Bond Fund in the event that Contractor's compensation is insufficient:

- (a) Loss and damages provided in Section 6 or elsewhere in this Agreement;
- (b) Any advances or prepayments by Company of cost or expenses to be borne by Contractor under this Agreement;
- (c) Any products, equipment or services which Contractor chooses to purchase or rent from or through Company; provided, however, that it is understood that Contractor is not required to purchase or rent any products, equipment or services from or through Company as a condition of entering into this Agreement;
- (d) Any amounts necessary to fulfill Contractor's performance bond obligations as set forth in Section 7 or elsewhere in this Agreement;
- (e) Any insurance related expense which is Contractor's obligation under Exhibit B of this Agreement; or
- (f) Any other expense or cost incurred by Company which is Contractor's responsibility under this Agreement or any exhibit or addendum.

Deductions and chargebacks may represent either full payment or, if set forth in a separate written agreement, installment payments for the items enumerated above. All deductions and chargebacks shall be itemized to the extent provided elsewhere in this Agreement, including Exhibit B if applicable. The amount of each deduction and chargeback shall be computed based on the actual cost or expense incurred by the Company. In the event the Company should assess any type of administrative charge or mark-up to the actual costs charged back to Contractor, the Company shall provide Contractor with prior written notice of the additional charges. Contractor hereby waives any objection to any chargeback or deduction item unless Contractor notifies Company of Contractor's disagreement with such chargeback or deduction item within thirty (30) days from the date that the chargeback or deduction is made.

CONTRACTOR

DIAGON LOGISTICS (DELAWARE) INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**EXHIBIT B****Insurance**

It shall be Company's responsibility, pursuant to federal law, to provide public liability and property damage insurance for the Equipment at all times while the equipment is being operated on behalf of Company. However, Company's possession of such insurance shall in no way affect Company's rights of indemnification against Contractor as provided for in this Agreement.

Contractor shall maintain, at its sole cost and expense, the following minimum insurance coverages during the term of this Agreement:

1. **Liability Limiter.** Pursuant to Contractor's indemnification obligation to Company, as set forth herein, Contractor is liable for property damage (including damage to cargo) and personal injury caused by Contractor's acts or omissions. Contractor may elect to limit liability to an amount no greater than the amounts outlined in the Insurance Checklist herein per accident for claims initially arising under Company's auto liability and/or general liability insurance by completing and signing the appropriate portion of the Insurance Checklist herein. Contractor may elect to limit liability to an amount no greater than the amounts outlined in the Insurance Checklist herein per accident for claims initially arising under Company's cargo liability insurance by completing and signing the appropriate portion of the Insurance Checklist herein. In the event Contractor elects not to limit its liability as set forth above, Contractor shall provide a Certificate of Insurance and provide an appropriately completed and signed "Transportation Contractor's Insurer's Form" evidencing insurance with deductible amounts no greater than \$3,000 per occurrence for cargo liability coverage and/or deductible amounts no greater than \$3,000 per occurrence for auto liability/general liability coverage (from insurers acceptable to Company. Such insurance may not have any exclusions for theft, dishonest acts or unattended vehicles.
2. **Non-Trucking Liability.** Contractor shall procure, carry and maintain public liability and property damage insurance which shall provide coverage to Contractor whenever the Equipment is not being operated on behalf of Company in a combined single limit of not less than Three Million Dollars (\$3,000,000) for injury or death to any person or for damages to property in any one occurrence. Such coverage shall be primary to any other insurance that may be available from Company. Contractor shall be responsible for all deductible amounts and for any loss or damage in excess of the policy limit.
3. **Workers' Compensation/Occupational Accident Insurance.** Contractor shall provide workers' compensation insurance coverage for Contractor (if a natural person), all of its employees and agents, anyone driving the Equipment, and any other persons required to be covered under the worker's compensation law of any state that is reasonably likely to have jurisdiction over Contractor's business operations and in amounts not less than the statutory limits required by such applicable state law. The worker's compensation insurance policy shall provide principal coverage in Virginia as well as the state in which the work is principally localized, and shall provide "other states coverage" that excludes only North Dakota, Ohio, Washington, West Virginia, and Wyoming. As evidence of such coverage, Contractor shall provide Company with a copy of the insurance policy declarations page for Company's verification before operating the Equipment under this Agreement. Such coverage shall be no less comprehensive than the coverage Company will facilitate on Contractor's behalf if Contractor so chooses, as provided in Section 4 of this Exhibit B. If (a) Contractor is the sole owner and the sole and exclusive operator of the Equipment and (b) the state in which the work is principally localized is not Colorado, Nevada, New Jersey, New York, or North Carolina, then Contractor may, as an alternative to obtaining workers' compensation coverage, obtain occupational accident insurance policy that includes either an endorsement or a separate policy provision whereby the insurer provides, or agrees to provide, workers' compensation coverage that becomes effective for a claim by Contractor alleging employee status. Such occupational accident insurance coverage shall be no less comprehensive than the coverage Company will facilitate on Contractor's behalf if Contractor so chooses, as provided in Section 4 of this Exhibit B.
4. **Other Insurance.** In addition to the insurance coverages required under this Agreement, it is Contractor's responsibility to procure, carry and maintain any fire, theft, uninsured and/or underinsured motorist, and physical damage (collision), or other insurance coverage that Contractor may desire for the Equipment or for



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Contractor's health care or other needs. As provided in this Agreement, Contractor holds Company harmless with respect to loss of or damage to Contractor's Equipment, trailer, or other property, and Company has no responsibility to procure, carry, or maintain any insurance covering loss of or damage to Contractor's Equipment, trailer, or other property. Contractor acknowledges that Company may, and Contractor hereby authorizes Company to, waive and reject no-fault, uninsured, and underinsured motorist coverage from Company's insurance policies to the extent allowed under Virginia law (or such other state law where the Equipment is principally garaged), and Contractor shall cooperate in the completion of all necessary documentation for such waiver, election, or rejection.

Contractor shall furnish to Company written certificates obtained from Contractor's insurance Company showing that all insurance coverages required above have been procured and an "A" rated company, are being properly maintained, and the premiums therefore are paid, specifying the name of the insurance company, the policy number, the expiration date, naming Company as an additional named insured and further showing written notice of cancellation or modification of the policy shall be given to Company at least thirty (30) days prior to such cancellation or modification.

Contractor agrees to defend, indemnify and hold harmless Company from any direct, indirect and consequential loss, damage, fine, expense, including reasonable attorney fees, actions, claim for injury to persons, including death, and damage to property which Company may incur arising out of or in connection with Contractor's failure to maintain the insurance coverages required by this Agreement. In addition, Contractor, on behalf of its insurer, expressly waives all subrogation rights against Company, and, in the event of a subrogation action brought by Contractor's insurer, Contractor agrees to defend, indemnify and hold harmless Company from such claim.

Contractor may, at Contractor's option, authorize Company to administer, on Contractor's behalf, the insurance coverages required by this Agreement, in which case Contractor will be charged back for all of Company's expense and cost in obtaining and administering such coverage. In addition, if Contractor fails to provide proper evidence of the purchase or maintenance of the insurance required above, then Company is authorized but not required to obtain such insurance at its expense and charge Contractor all costs incurred by Company in obtaining and administering such coverage on Contractor's behalf. Contractor recognizes that Company is not in the business of selling insurance, and any insurance coverage requested by Contractor from Company is subject to all of the terms, conditions and exclusions of the actual policy issued by the insurance underwriter selected by Contractor. Company shall ensure that Contractor is provided with a certificate of insurance for each insurance policy under which the Contractor selects coverage from the insurance underwriter, and Company shall provide Contractor with a copy of each policy upon request by Contractor. In the event that the insurance costs or insurance provider shall change or vary after the execution of this Agreement, Company shall advise Contractor of such change in writing and Contractor's failure to object or terminate the coverage being provided through Company in writing to Company shall constitute an express consent and authorization to Company to deduct and charge back to Contractor the revised amount.

THIS EXHIBIT is agreed to by the undersigned parties as of the latest date set forth below.

CONTRACTOR

DIAGON LOGISTICS (DELAWARE) INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**Insurance Checklist**  
**California Locations Only**

If Company is able to obtain it, Contractor hereby requests Company, through Company's insurer, to obtain on Contractor's behalf the insurance coverages selected by Contractor below. CURRENT COST includes an administrative charge retained by Company as set forth in Section 4 of Exhibit B herein:

**TYPE OF COVERAGES**

INITIAL (TO ELECT COVERAGE)  
 N/A (TO DECLINE COVERAGE)

1) **Occupational Accident Insurance**

- Occupational Accident Insurance is an alternative to statutory Workers' Compensation insurance in states where Workers' Compensation coverage is not available to Contractor.

	Insurance Premium	Administrative Charge	Total Settlement Deduction
1 Truck / Contractor plus 1 or 2- Bi-Weekly Rate	\$181.85	\$ 12.73	\$194.58
1 Truck / Contractor plus 1 or 2- Weekly Rate	90.93	6.36	97.29
2 Truck Rate - Bi-Weekly Rate	363.70	25.46	389.16
3 Truck Rate - Bi-Weekly Rate	545.55	38.19	583.74
1 Truck / Contractor Only - Bi-Weekly Rate	108.00	7.56	115.56

\_\_\_\_\_  
 Contractor Initials

2) **Truck Physical Damage**

- Subject to \$3,000 deductible per Covered Unit for Comprehensive and Collision Coverage for the Actual Cash Value or the Cost to Repair or Replace the Covered Unit.

	Insurance Premium	Administrative Charge	Total Settlement Deduction
1 Truck - Bi-Weekly Rate	\$ 40.77	\$ 2.85	\$ 43.62
1 Truck - Weekly Rate	20.38	1.43	21.81

\_\_\_\_\_  
 Contractor Initials

**LIABILITY LIMITATION**

INITIAL (TO ELECT LIMITATION)  
 N/A (TO DECLINE LIMITATION)

1) **Auto Liability**

- Limitation of no greater than \$3,000 per occurrence, excluding Property Damage resulting from Handling of Property (Loading & Unloading).
- Backing Accident limitation no greater than \$5,000 per occurrence and Rear End Accident limitation no greater than \$5,000 per occurrence.
- Truck physical damage is not covered.
- Uninsured/Underinsured Motorists Coverage: Provides for Bodily injury to Contractor and Contractor's employees caused by an uninsured or underinsured motorist. Coverage is limited to \$1,000,000 each accident.

2) **General Liability**

- Limitation of no greater than \$3,000 per occurrence, excluding below.
- Water Damage limitation no greater than \$5,000 per occurrence.



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3) Cargo Liability

- Limitation of no greater than \$3,000 per occurrence, excluding below.
- Stolen Truck if keys were left in truck limitation no greater than \$5,000.

Combined Cost of Auto/General/Cargo Liability Limiter Program

	Insurance Premium	Administrative Charge	Total Settlement Deduction
1 Truck - Bi-Weekly Rate	\$ 297.00	\$ 20.80	\$ 317.80
1 Truck - Weekly Rate	148.50	10.40	158.90
2 Truck Rate - Bi-Weekly Rate	594.00	41.60	635.60
3 Truck Rate - Bi-Weekly Rate	891.00	62.40	953.40

Contractor Initials

CONTRACTOR

DIAKON LOGISTICS (DELAWARE) INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**Contractor Authorization to Deduct from Settlement**

In accordance with my Service Agreement, I understand that I must carry specific insurance. I also understand that I am free to purchase those Insurance programs from any provider, but I choose to participate in the programs offered through the program facilitated by Marsh USA, Inc. for the contractors of Diakon Logistics (Delaware) Inc. ("Diakon Logistics"). I hereby authorize Diakon Logistics to deduct the applicable charges from my settlements for this insurance beginning \_\_\_\_\_, 20\_\_\_\_ and continuing until canceled. This authorization constitutes an Addendum to my Service Agreement.

Date: \_\_\_\_\_

Contractor: \_\_\_\_\_

Witness: \_\_\_\_\_

In accordance with my Service Agreement, I understand that I must carry Insurance to protect myself, and any of my employees, in the event of a job-related injury. I also understand that I am free to purchase this Insurance program from any provider, but I choose to participate in the program offered through the program facilitated by TrueNorth Companies, L.C. for the contractors of Diakon Logistics (Delaware) Inc. ("Diakon Logistics"). I hereby authorize Diakon Logistics to deduct the applicable charges from my settlements for this insurance beginning \_\_\_\_\_, 20\_\_\_\_ and continuing until canceled. This authorization constitutes an Addendum to my Service Agreement.

Date: \_\_\_\_\_

Contractor: \_\_\_\_\_

Witness: \_\_\_\_\_



DIAGON LOGISTICS CONTRACTOR AGREEMENT-CA

### Authorization to Deduct from Settlement

I, \_\_\_\_\_, hereby authorize Diakon Logistics (Delaware) Inc. ("Diakon Logistics") to deduct the following charges from my settlements during the term of the Settlement Agreement to the extent such charges are paid on my behalf by Diakon Logistics:

1. Phone Equipment
2. Phone Bills
3. Truck Lease
4. Truck Rentals
5. Truck Fuel
6. Uniforms (including hats/pants/shirts)
7. Equipment (including tools/pads/etc.)
8. Temporary Labor
9. Hotel Bills

The amount of each deduction will be based upon the amount paid by Diakon Logistics on your behalf. Diakon Logistics shall provide you with any documents, if any, which are necessary for you to determine the validity of the charge back.

This written authorization constitutes an Addendum to the Service Agreement previously executed between me and Diakon Logistics (Delaware) Inc.

Contractor Signature \_\_\_\_\_ Date \_\_\_\_\_

Diakon Logistics Manager Signature \_\_\_\_\_